

130000673

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 11-0215-2911

ELECTIONS: Buchanan No. 1 SGU 3  
(herein Subject Drilling Unit)

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on April 14, 2011 which was recorded at Document 110001207 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on May 20, 2011, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Buchanan No. 1 SGU 3;

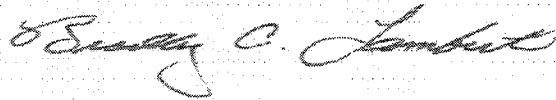
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company, 38 E. Valley Drive, Bristol, VA. 24201, Attn: Debbie Davis or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 25 day of March, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 25 day of March, 2013 by Order of the Virginia Gas and Oil Board.



Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 25<sup>th</sup> day of March, 2013, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Diane J. Davis, Notary Public  
174394

My Commission expires: September 30, 2013



VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in Buchanan No. 1 SGU 3  
VGOB 11-0215-2911 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING  
ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Anita D. Duty, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Land Resources, Inc., as a Pooling Supervisor and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on April 14, 2011, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Lebanon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on May 20, 2011;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of April 14, 2011;

See attached Exhibit B-3 (Unit is 100% Leased)

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

See attached Exhibit B-2

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be added or dismissed as Respondents:

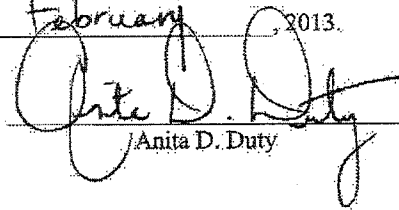
B.W. McDonald Testamentary Trust

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

See attached Exhibit EE

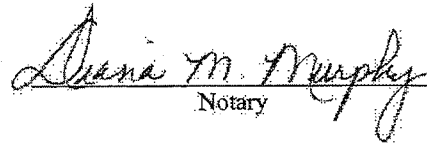
That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Bluefield, West Virginia, this 27<sup>th</sup> day of February, 2013.

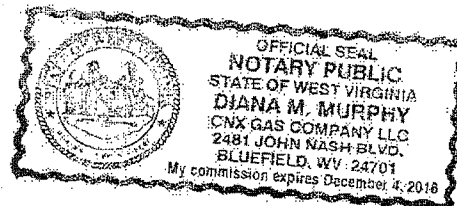
  
Anita D. Duty

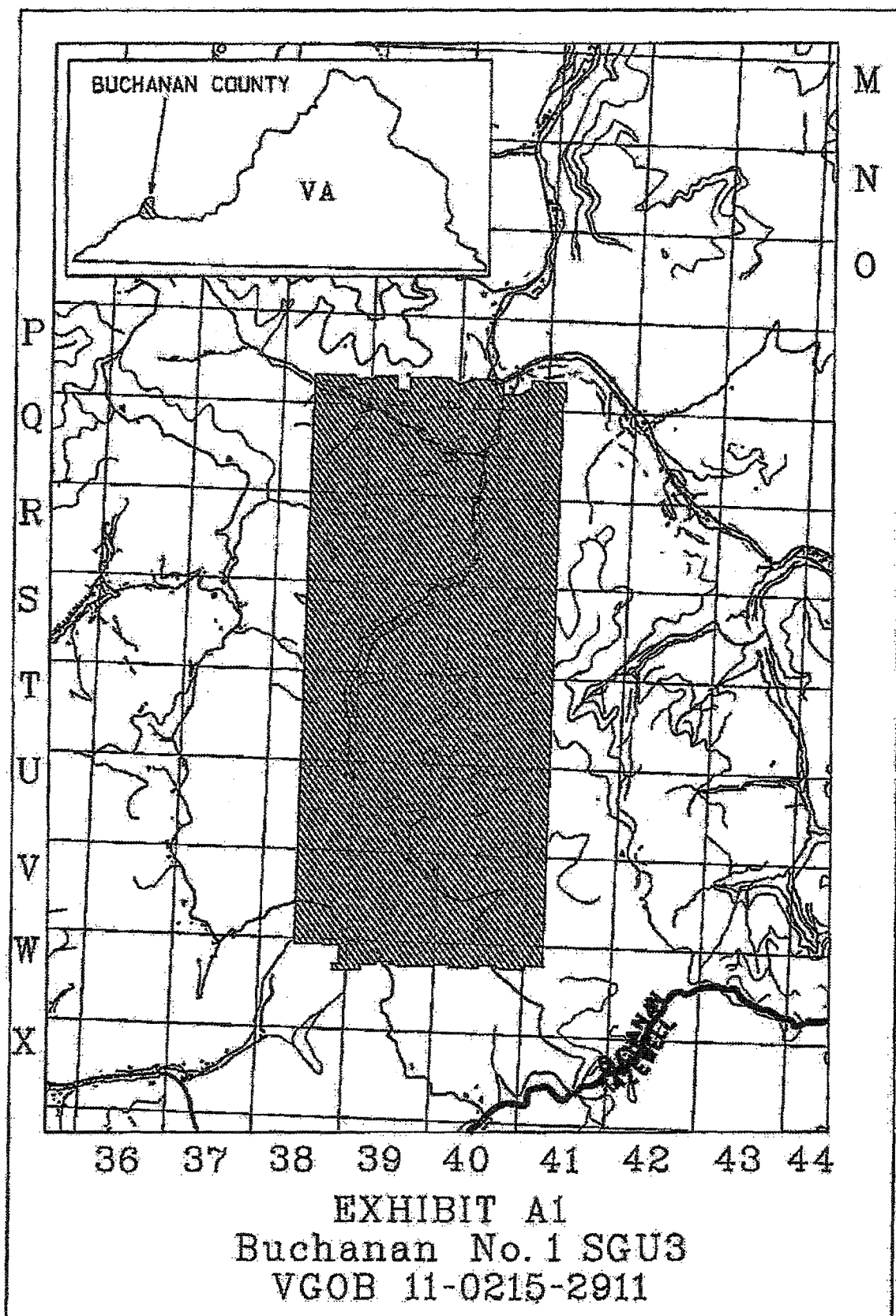
STATE OF WEST VIRGINIA  
COUNTY OF MERCER

Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Land Resources, Inc., on behalf of the corporate Designated Operator, this 27<sup>th</sup> day of February, 2013.

  
Notary

My commission expires Dec. 4, 2016





**CNX Gas Company LLC**  
**BUCHANAN #1 SGU 3**  
**Tract Identifications**  
**(1474.57 Acre Unit)**

1. Consolidation Coal Company (81.60 Acre Tract) – Coal in Jawbone Seam and Below (½)  
Ronald A. Clyborne – Coal Above Jawbone Seam and Oil and Gas (1/2)  
Consolidation Coal Company – Coal Below Jawbone Leased (1/2)  
J.C. Franks, et al – All Minerals (1/2)  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
1.26 Acres      0.0854%
2. Robert J. Dennis, et al (114 Acre Tract) – Fee  
Island Creek Coal Co./Consol Energy, Inc. – All Coal Below Tiller except P-3 Seam Leased  
Consolidation Coal Company – Coal In P-3 Seam Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
33.66 Acres      2.2827%
3. Consolidation Coal Company (111 Acre Tract) – Coal In and Below the Jawbone Seam (1/2)  
Ronald A. Clyborne – Coal Above Jawbone Seam and Oil and Gas (1/2)  
Consolidation Coal Company – Coal Above the Jawbone Seam Leased  
J.C. Franks, et al – All Minerals (1/2)  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
71.77 Acres      4.8672%
4. J.C. Franks, et al (3 Acre Tract) – Fee  
Consolidation Coal Company – Coal Below Jawbone Seam Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
2.96 Acres      0.2007%
5. Consolidation Coal Company (76.40 Acre Tract) – Coal In and Below Jawbone Seam (1/2)  
Ronald A. Clyborne – Coal Above Jawbone Seam and Oil and Gas (1/2)  
Consolidation Coal Company – Coal Below Jawbone Leased (1/2)  
J.C. Franks, et al – All Minerals (1/2)  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
15.55 Acres      1.0545%
6. Consolidation Coal Company (91 Acre Tract) – Coal In and Below Jawbone Seam (1/2)  
Ronald A. Clyborne – Coal Above Jawbone Seam and Oil and Gas (1/2)  
Consolidation Coal Company – Coal Above Jawbone Seam Leased  
J.C. Franks, et al – All Minerals (1/2)  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
95.81 Acres      6.4975%
7. Coal Mountain Mining Company L.L.P., Tr. 27 (1140 Acre Tract) – Fee  
Consolidation Coal Company – Coal Below Drainage Leased  
Knox Creek Coal Corporation – Coal Above Drainage Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
204.68 Acres      13.8807%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

**CNX Gas Company LLC**  
**BUCHANAN #1 SGU 3**  
**Tract Identifications**  
**(1474.57 Acre Unit)**

8. Consolidation Coal Company (3 Acre Tract) – Coal  
CNX Gas Company LLC – Oil, Gas and CBM  
2.74 Acres      0.1858%
9. Commonwealth Coal Corporation, Tract 2 (965.00 Acres) – All Minerals  
Consolidation Coal Company – Below Drainage Coal Leased  
Knox Creek Coal Company – Above Drainage Coal Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
25.20 Acres      1.7090%
10. Consolidation Coal Company (18 Acre Tract) – Coal In and Below the Jawbone Seam (1/2)  
Ronald A. Clyborne – Coal Above Jawbone Seam and Oil and Gas (1/2)  
Consolidation Coal Company – Coal Above Jawbone Seam Leased  
J.C. Franks, et al – All Minerals (1/2)  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
2.35 Acres      0.1594%
11. R. O. VanDyke Heirs, et al (154 Acre Tract) – All Minerals  
Consolidation Coal Company – Coal Below Drainage Leased  
Jewell Smokeless Coal Corporation – Coal In Jawbone Seam Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
2.24 Acres      0.1519%
12. Dennis G. Dobrenz (38 Acre Tract) – All Minerals  
Consolidation Coal Company – Coal Below Tiller Seam Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
9.72 Acres      0.6592%
13. R.O. Vandyke Heirs, et al (126.20 Acre Tract) – All Minerals  
Consolidation Coal Company – Coal Below Drainage Leased  
Jewell Smokeless Coal Corporation – Jawbone Seam Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
96.39 Acres      6.5368%
14. Dennis G. Dobrenz (87.00 Acre Tract) – All Minerals  
Consolidation Coal Company – Coal Below Tiller Seam Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
78.43 Acres      5.3188%
15. Consolidation Coal Company – All Coal  
CNX Gas Company LLC – Oil and Gas  
3.83 Acres      0.2598%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)



**CNX Gas Company LLC**  
**BUCHANAN #1 SGU 3**  
**Tract Identifications**  
**(1474.57 Acre Unit)**

- 16A. James M. McGuire Trust (460.57 Acre Tract) – Coal  
Consolidation Coal Company – Below Drainage Coal Leased  
Jewell Smokeless Coal Corp. - Raven Seam of Coal Leased  
CNX Gas Company LLC – CBM Leased  
Consolidation Coal Company – Oil and Gas  
21.25 Acres 1.4411%
- 16B. James M. McGuire Trust (460.57 Acre Tract) – Coal  
Consolidation Coal Company – Below Drainage Coal Leased  
Jewell Smokeless Coal Corp. - Raven Seam of Coal Leased  
CNX Gas Company LLC – CBM Leased  
CNX Gas Company LLC – Oil and Gas  
1.37 Acres 0.0929%
- 16C. James M. McGuire Trust (460.57 Acre Tract) – Coal  
Consolidation Coal Company – Below Drainage Coal Leased  
Jewell Smokeless Coal Corp. - Raven Seam of Coal Leased  
CNX Gas Company LLC – CBM Leased  
Norfolk Southern Railway Company – Oil and Gas  
CNX Gas Company LLC – CBM Leased  
0.58 Acres 0.0393%
17. Coal Mountain Mining Company L.L.P. Tr. 26 (1355 Acre Tract) – Fee  
Consolidation Coal Company – Coal Below Drainage Leased  
Knox Creek Coal Corporation – Coal Above Drainage Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
804.78 Acres 54.5773%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

Exhibit B-2  
 Buchanan No.1 SGU #3  
 Docket #VGOB 11-0215-2911  
 List of all Owners/Claimants to be Added/Dismissed

	Acres in Unit	Interest in Unit	Reason for Dismissal	Reason for Addition
<b>II. OIL &amp; GAS OWNERSHIP</b>				
<u>Tract #16A, 21.25 acres</u>				
(1) Consolidation Coal Company, et al <i>Previously W. B. McDonald, et ux. Heirs, Devisees, Successors or Assigns</i>	21.25 acres	1.4411%		
(b) B.W. McDonald Testamentary Trust PO Box 999 Prestonburg, KY 41653	10.63 acres 1/2 of 21.25 acres	0.7205%	Conveyed Interest	
(b) Consolidation Coal Company 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, see below for conveyed interest</i>	10.63 acres 1/2 of 21.25 acres	0.7205%		New Owner

Exhibit B-3  
Buchanan No.1 SGU #3  
Docket #VGOB 11-0215-2911  
List of all Unleased Owners/Claimants

Acres in Unit	Percent of Unit
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*This unit is 100% leased by agreement*

Exhibit E  
 Buchanan No.1 SGU #3  
 Docket #VGOB 11-0215-2911  
 List of Conflicting Owners/Claimants that require escrow  
 (1,474.57 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #16A, 21.25 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) James M. McGuire Trust (460.57 acre tract) P.O. Box 1067 Bluefield, VA 24605	21.25 acres	1.4411%
<u>OIL &amp; GAS OWNERSHIP</u>		
(1) Consolidation Coal Company, et al <i>Previously W. B. McDonald, et ux. Heirs, Devisees, Successors or Assigns.</i>	21.25 acres	1.4411%
(b) Consolidation Coal Company 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust; see below for conveyed interest</i>	10.63 acres 1/2 of 21.25 acres	0.7205%

Tract #16C, 0.58 acres

<u>COAL OWNERSHIP</u>		
(1) James M. McGuire Trust (460.57 acre tract) P.O. Box 1067 Bluefield, VA 24605	0.58 acres	0.0393%
<u>OIL &amp; GAS OWNERSHIP</u>		
(f) Norfolk Southern Railway Company	0.58 acres	0.0393%
<i>If no conflict royalties paid to:</i> Pocahontas Land Corporation Treasurer, Pocahontas Land Corporation P. O. Box 1517 Bluefield, WV 24701		

Exhibit EE  
 Buchanan No.1 SGU #3  
 Docket #VGOB 11-0215-2911  
 List of Conflicting Owners/Claimants with Royalty Split Agreements  
 (1,474.57 Acre Unit)

	Acres in Unit	Interest in Unit
<b><u>Tract #1, 1.26 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (81.60 Acre Tract)	1.26 acres	0.0854%
(b) Consolidation Coal Company (1/2 of Coal In & Below Jawbone Seam) 10545 Riverside Drive Oakwood, VA 24631	0.63 acres 1/2 of 1.26 acres	0.0427%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (81.60 Acre Tract)	1.26 acres	0.0854%
(b) Ronald Clyborne 9325 Olympic View Drive Edmonds, WA 98020-2397	0.63 acres 1/2 of 1.26 acres	0.0427%
<b><u>Tract #3, 71.77 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (111 Acre Tract)	71.77 acres	4.8672%
(b) Consolidation Coal Company (1/2 of Coal In & Below Jawbone Seam) 10545 Riverside Drive Oakwood, VA 24631	35.885 acres 1/2 of 71.77 acres	2.4336%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (111 Acre Tract)	71.77 acres	4.8672%
(b) Ronald Clyborne 9325 Olympic View Drive Edmonds, WA 98020-2397	35.885 acres 1/2 of 71.77 acres	2.4336%
<b><u>Tract #5, 15.55 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (76.40 Acre Tract)	15.55 acres	1.0546%
(b) Consolidation Coal Company (1/2 of Coal In & Below Jawbone Seam) 10545 Riverside Drive Oakwood, VA 24631	7.775 acres 1/2 of 15.55 acres	0.5273%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (76.40 Acre Tract)	15.55 acres	1.0546%
(b) Ronald Clyborne 9325 Olympic View Drive Edmonds, WA 98020-2397	7.775 acres 1/2 of 15.55 acres	0.5273%

Exhibit EE  
 Buchanan No.1 SGU #3  
 Docket #VGOB 11-0215-2911  
 List of Conflicting Owners/Claimants with Royalty Split Agreements  
 (1,474.57 Acre Unit)

	Acres in Unit	Interest in Unit
<b><u>Tract #6, 95.81 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (91.00 Acre Tract)	95.81 acres	6.4975%
(b) Consolidation Coal Company (1/2 of Coal In & Below Jawbone Seam) 10545 Riverside Drive Oakwood, VA 24631	47.905 acres 1/2 of 95.81 acres	3.2487%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (91.00 Acre Tract)	95.81 acres	6.4975%
(b) Ronald Clyborne 9325 Olympic View Drive Edmonds, WA 98020-2397	47.905 acres 1/2 of 95.81 acres	3.2487%
<b><u>Tract #10, 2.35 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (18 Acre Tract)	2.35 acres	0.1594%
(b) Consolidation Coal Company (1/2 of Coal In & Below Jawbone Seam) 10545 Riverside Drive Oakwood, VA 24631	1.175 acres 1/2 of 2.35 acres	0.0797%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) J. H. Franks Heirs, Devisees, Successors or Assigns, et al. (18 Acre Tract)	2.35 acres	0.1594%
(b) Ronald Clyborne 9325 Olympic View Drive Edmonds, WA 98020-2397	1.175 acres 1/2 of 2.35 acres	0.0797%
<b><u>Tract #16A, 21.25 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) James M. McGuire Trust (460.57 acre tract) P.O. Box 1067 Bluefield, VA 24605	21.25 acres	1.4411%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Consolidation Coal Company, et al Previously W. B. McDonald, et ux. Heirs, Devisees, Successors or Assigns	21.25 acres	1.4411%
(a) Consolidation Coal Company 1000 Consol Energy Drive Canonsburg, PA 15317 Previously Meledge Estridge, conveyed 1/2 interest (Instrument 11-2623), 10/21/2011	10.63 acres 1/2 of 21.25 acres	0.7205%

Exhibit EE  
Buchanan No.1 SGU #3  
Docket #VGOB 11-0215-2911  
List of Conflicting Owners/Claimants with Royalty Split Agreements  
(1,474.57 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #16B, 1.37 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) James M. McGuire Trust (460.57 acre tract) P.O. Box 1067 Bluefield, VA 24605	1.37 acres	0.0929%
<u>OIL &amp; GAS OWNERSHIP</u>		
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	1.37 acres	0.0929%

INSTRUMENT #130000673  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
APRIL 23, 2013 AT 01:57PM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB